

EXHIBIT B



COUNTY OF SANTA BARBARA

Planning and Development

Santa Barbara County Article II Coastal Zoning Ordinance



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Division 9 - Oil and Gas Facilities

Section 35-154. Onshore Processing Facilities Necessary or Related to Offshore Oil and Gas Development.

unless such equipment, structures, tanks, and facilities are screened from public view by reason of an isolated location, existing trees or shrubbery, intervening surface contours, or a wall constructed as herein provided.

- f. Any machinery used in the production and/or processing shall be so designed and housed that noise and vibration shall be reduced to a minimum and the operation thereof will be compatible with the level of surrounding areas.
- g. The applicant has received "authority to construct" from the Air Pollution Control District.
- h. All lights shall be shielded so as not to directly shine on adjacent properties.
- i. Permanent structures and equipment shall be painted a neutral color so as to blend in with natural surroundings.
- j. In addition to all of the above, the Development Standards contained in Paragraph 5 of [Section 35-154.5](#) for onshore processing facilities for offshore oil and gas development shall also be applicable to the processing facilities that are permitted as a component of an onshore production area.

Section 35-154. Onshore Processing Facilities Necessary or Related to Offshore Oil and Gas Development.

(Amended by Ord. 3701, 06/10/1988; Ord. 3745, 02/07/1989)

1. **Applicability:** The specific regulations of this section shall apply to structures, equipment, or facilities necessary and incidental to:

- a. Dehydration and/or separation of oil, gas and condensate obtained from an offshore hydrocarbon area, except for dehydration and separation incidental to onshore wells which shall be subject to regulations of [Section 35-158](#), and [35-176](#), and (Amended by Ord. 4235, 09/03/1996)
- b. Oil and gas processing/treatment facilities. (Amended by Ord. 4235, 09/03/1996)

For the specific regulations listed under [Section 35-154.4B](#), the terms "new production" or "new oil and gas production" or "new gas production" refer to:

- c. The development of any oil and/or gas after the adoption of these policies which requires new discretionary local, state, or federal permits unless its from an existing well or platform; or
- d. The development of any oil and/or gas which, after the adoption of these policies, requires approval of a new platform, or a new sub-sea or onshore well completion.

An operator who claims a constitutionally-protected vested right exists within the scope of existing permits to process new production at a facility which is not at a County-designated consolidated site may request the Planning Commission for a determination of exemption to allow processing of that production at the nonconsolidated site. The request must be accompanied by evidentiary support reasonably available at the time of filing. The Planning Commission shall hold a hearing on the request within 60 days of filing. The Planning Commission shall determine the scope of the applicant's existing permits and whether the applicant, by obtaining and relying on such permits prior to the adoption of these policies, has acquired, under California law, a vested right to process new production at a facility other than a County-designated consolidated site.

The Commission may continue the hearing (1) with the consent of the applicant and the County or (2) to permit or require the applicant or the County to submit additional evidence or legal analysis. No more than 90 days total continuance shall be granted unless the parties consent or the Commission finds that additional evidence is needed or a decision cannot feasibly be presented within the allotted time. The Commission shall decide the matter within 30 days after all such evidence and analysis has been submitted.

The applicant shall reimburse the County for all reasonable costs incurred in determining the claim of exemption.

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2. Permitted Districts. Processing facilities for offshore oil and gas development are permitted only in the Coastal Dependent Industry (M-CD) District (if the use requires a site on or adjacent to the sea to be able to function at all) and in the Coastal-Related Industry (M-CR) District, except: *(Amended by Ord. 3947, 11/19/1991; Ord. 4235, 09/03/1996)*

- a. Where the property is subject to the Environmentally Sensitive Habitat Area Overlay District (ESH), such facilities shall not be permitted within the area subject to the ESH.
- b. Where the property is subject to the View Corridor Overlay District, such facilities shall require a Major Conditional Use Permit as provided in [Section 35-172](#).

3. Processing. No permits for development including grading shall be issued except in conformance with an approved Final Development Plan, as provided in [Section 35-174](#) (Development Plans), and with [Section 35-169](#) (Coastal Development Permits). In addition to the other information required under [Section 35-174](#) (Development Plans), the following information must be filed with a Preliminary or Final Development Plan application.

- a. An updated emergency response plan to deal with potential consequences and actions to be taken in the event of hydrocarbon leaks or fires. These emergency response plans shall be approved by the County's Emergency Services Coordinator and Fire Department.
- b. A phasing plan for the staging of development which includes the estimated timetable for project construction, operation, completion, and abandonment, as well as location and amount of land reserved for future expansion.

4A. Findings Required for Approval of Development Plans Outside the South Coast Consolidation Planning Area. In addition to the findings for Development Plans set forth in [Section 35-174.7](#) (Development Plans), no Preliminary or Final Development Plan is to be approved for a project in an area outside the South Coast Consolidation Planning Area unless the Planning Commission also makes all of the following findings: *(Added by Ord. 3701, 06/10/1988)*

- a. Consolidation or collocation on or adjacent to an existing processing facility to accommodate the proposed production is not feasible or is more environmentally damaging.
- b. There are no feasible alternative locations for the proposed processing facility that are less environmentally damaging.
- c. Where consolidation or collocation on or adjacent to an existing processing facility is not proposed, for coastal areas east of the City of Santa Barbara, there are no existing processing facilities within three miles of the proposed site.
- d. The proposed facility is compatible with the present and permitted recreational and residential development and the scenic resources of the surrounding area.

4B. Findings Required for Approval of Development Plans for Facilities in the South Coast Consolidation Planning Area. In addition to the findings for Development Plans set forth in [Section 35-174.7](#) (Development Plans), no Preliminary or Final Development Plan for processing facilities shall be approved unless the Planning Commission also makes one or more of the following findings: *(Added by Ord. 3701, 06/10/1988)*

- a. Existing and approved processing capacity at the County-designated consolidation sites is insufficient to accommodate proposed new production for a period of time that would render development of the proposed offshore reservoir(s) infeasible. This finding shall take into account feasible delays in development of the offshore reservoir(s) to maximize use of existing and approved processing capacity, and feasible expansion of existing processing facilities to provide sufficient capacity.
- b. The specific properties of oil or gas for a particular reservoir - considering available information on the physical and chemical characteristics of the stock, including but not limited to API gravity, sulfur and water content, viscosity, and pour point - would render development of the resource technically infeasible unless specialized units can be built. Such finding shall consider partial dehydration as a specialized unit if it is required to adapt a resource to the technical requirements of a processing

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facility. Modifications or additions to existing facilities shall be favored over construction of redundant processing capacity insofar as such modifications or additions render the resource characteristics and the technical processing requirements of a facility compatible with one another.

- c. Commingling the production in existing or already-approved facilities at designated consolidated sites is environmentally unacceptable.

Additionally, no Preliminary or Final Development Plan for expansion or construction of processing facilities shall be approved unless the Planning Commission makes the following findings to restrict industrialization of the area:

- d. The expansion of existing facilities or construction of new facilities are to be located at a consolidated oil and gas processing site as designated in the Coastal Plan of the County's Comprehensive Plan.
(Amended by Ord. 4602, 03/21/2006)
- e. The proposed facilities will use, to the maximum extent feasible, existing ancillary facilities at the consolidated site.

5. Development Standards. In addition to the regulations of the M-CD District, the following regulations shall apply to onshore processing facilities for offshore oil and gas development:

- a. The level of noise generated by the facility at the property boundary shall not exceed 70 db(A).
- b. The applicant has received "authority to construct" from the Air Pollution Control District.
- c. There shall be no visible emission of smoke.
- d. The installation shall be visually compatible with the potential surroundings by use of any or all of the following measures where applicable: buffer strips, depressions, natural or artificial; screen planting and landscaping continually maintained; camouflage and/or blending colors.
- e. All lights shall be shielded so as not to directly shine on adjacent properties.
- f. Grading and alteration of natural drainages shall be minimized.
- g. Adequate provisions shall be made to prevent erosion and flood damage.
- h. Permanent structures and equipment shall be painted a neutral color so as to blend in with natural surroundings.
- i. Permits for expanding, modifying, or constructing crude oil processing or related facilities shall be conditioned to require that all oil processed by the facility shall be transported from the facility and the County by pipeline as soon as the shipper's oil refining center of choice is served by pipeline.

Transportation by a mode other than pipeline may be permitted only:

- 1) Within the limits of the permitted capacity of the alternative mode; and
- 2) When the environmental impacts of the alternative transportation mode are required to be mitigated to the maximum extent feasible; and
- 3) When the shipper has made a commitment to the use of a pipeline when operational to the shipper's refining center of choice; and
- 4) When the County has determined use of a pipeline is not feasible by making one of the following findings:
 - a) A pipeline to the shippers' refining center of choice has inadequate capacity or is unavailable within a reasonable period of time;
 - b) A refinery upset has occurred, which lasts less than two months, precludes the use of a pipeline to that refinery, and requires temporary transportation of oil to an alternative refining center not served by pipeline;

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- c) The costs of transportation of oil by common carrier pipeline is unreasonable taking into account alternative transportation modes, economic costs, and environmental impacts; or
- d) An emergency, which may include a national state of emergency, has precluded use of a pipeline.

A permit based on finding b. or d. may be granted by the Director of the Planning and Development Department and shall be subject to appeal to the Planning Commission. A permit based on findings a. and c. may be granted by the Board of Supervisors. All permits in this section are subject to appeal to the Coastal Commission.

All permits for the use of a non-pipeline mode of transportation may specify the duration for such permitted use. Such permit may be extended upon a showing of good cause based upon a consideration of the findings listed above. A permit based on finding b. shall be granted for two months only. If refinery upset conditions continue beyond two months and the shipper wishes to continue use of a non-pipeline transportation mode, the shipper must seek a new or modified permit that is based on a consideration of finding a., c., or d. In all cases, the burden of proof as to pipeline unavailability or inadequate capacity, unreasonable tariffs, and the need for and use of other transportation systems shall be on the shipper.

- j. Except in an emergency, no materials, equipment, tools, or pipes used for plant operation shall be delivered to or removed from the plant site through streets within a residential district between the hours of 7 p.m. and 7 a.m. of the next day.
- k. Within the South Coast Consolidation Planning Area, operators and owners of County-designated consolidated facilities and sites shall make their facilities and property available for commingled processing and consolidation of oil and gas facilities on an equitable and nondiscriminatory basis. If existing processing capacity is insufficient to accommodate proposed production and necessary new facilities are not permittable pursuant to the County's consolidation policies, operators of consolidated facilities shall reduce throughput on a pro-rata basis to accommodate other developers. *(Added by Ord. 3701, 06/10/1988)*

6. Facility and Site abandonment Within the South Coast Consolidation Planning Area.

- a. The County shall review permits that are approved after August 12, 1985 for new or modified oil and gas facilities when throughput, averaged (arithmetic mean) over any 12 consecutive months, does not exceed three percent of the facility's maximum permitted operating capacity. The review shall be conducted in a duly-noticed public hearing to determine if facility abandonment or facility modifications are appropriate. *(Added by Ord. 3701, 06/10/1988)*

Section 35-155. Onshore Supply Base and Piers and Staging Areas Necessary or Related to Offshore Oil and Gas Development.

(Amended by Ord. 3537, 10/08/1885)

- 1. Applicability.** The specific regulations contained within this section shall apply to the onshore portion of supply bases and/or piers and staging areas established for shipping equipment, supplies, and personnel to offshore areas during exploratory, development, or petroleum production operations. For all districts in which piers and staging areas are permitted or conditionally permitted, the district regulations of [Division 4](#) shall be inapplicable to said use.

2. Permitted Districts.

- a. Supply bases, piers and staging areas are permitted uses in the Coastal Dependent Industry (M-CD) District (if the use requires a site on or adjacent to the sea in order to function at all) and in Coastal Related Industry (M-CR) District, except: *(Amended by Ord. 3947, 11/19/1991)*
 - 1) Where the property is subject to the Environmentally Sensitive Habitat Area Overlay District (ESH), such facilities shall not be permitted within the area subject to the ESH.